

Attachment 4

Stormwater Flood Management Grant Proposal Lower Silver Creek, Reaches 4 – 6, and Lake Cunningham Budget

Attachment 4 consists of the following items:

- ✓ **Budget.** Attachment 4 provides a budget estimate for each budget category row of the proposed Project.
- ✓ **Appendix 4-A.** Appendix 4-A of this attachment contains supporting budget documentation and District financial summaries used in determining the total Project cost.

Introduction

This attachment presents detailed budget information and supporting documentation for the Lower Silver Creek (Reaches 4-6 and Lake Cunningham) Flood Protection Project proposal. The project proposal offers tremendous investment value to the State for a number of reasons including:

- The proposal provides over 50% percent of funding from non-State sources, demonstrating there is a strong commitment to the implementation of this project.
- 100 percent of the grant funding request will be used directly for construction or construction-related activities.
- The District has a demonstrated track record for the completion of capital improvement projects throughout its service area, including within the Lower Silver Creek Watershed and the larger Coyote Creek Watershed.
- The Project would benefit economically disadvantaged portions of the City of San Jose.

Table 4.1 provides a summary budget for the Project with the total Project budget estimated at \$54,992,397. Appendix C includes the supporting documentation used in developing the Project budget estimate.

Table 4-1. Total Project Budget

		(a)	(b)	(c)	(d)	(e)
	Budget Category	Non-State Share* (Funding Match)	Grant Request	Other State Funds	Total	Funding Match
(a)	Direct Project Administration Costs	\$909,983	\$0	\$0	\$909,983	100%
(b)	Land Purchase/Easement	\$210,860	\$0	\$0	\$210,860	100%
(c)	Planning/Design/Engineering/ Environmental Documentation	\$5,002,105	\$0	\$0	\$5,002,105	100%
(d)	Construction/Implementation	\$19,477,347	\$23,364,794	\$0	\$42,842,141	45%
(e)	Environmental Compliance/ Mitigation/Enhancement	\$1,169,290	\$0	\$0	\$1,169,290	100%
(f)	Construction Administration/Outreach	\$2,074,231	\$0	\$0	\$2,074,231	100%

(g)	Other Costs (Legal, Permitting, etc.)	\$80,103	\$0	\$0	\$80,103	100%
(h)	Construction Contingency	\$1,068,477	\$1,635,206	\$0	\$2,703,683	40%
(i)	Grand Total	\$29,992,397	\$25,000,000	\$0	\$54,992,397	55%

* Sources of funding and budget calculations are provided in Appendix 4A under the following dividers:

4A-1. NRCS - ARRA Funds

4A-2. SCVWD Financials, through 2/28/2011, and Forecast 3/11-12/14

4A-3. RMC Contract , CAS File #4255, and spent to date

4A-4. Lake Cunningham Engineering and Construction Cost Estimates.

4A-5. Budget Calculations

Note: A construction contingency of 30% is applied for Component 2 (Lake Cunningham) in recognition of the planning level estimate applied (see Appendix 4A-4). Due to the availability of 100% design plans and specifications for Component 1 (Reaches 4-6) a construction contingency of 6% is applied and reflects availability of bid document(s) from a several contractors.

Table 4-2. Cost Breakdown by Work Plan Task and Subtask

Row/Task	Category	Total
Row (a)	Direct Project Administration Costs	\$909,983
Task 1	Project Administration	\$809,450
Task 2	Labor Compliance Program	\$40,000
Task 3	Reporting	\$60,533
Row (b)	Land Purchase Easement	\$210,860
Row (c)	Planning/Design/Engineering/Environmental Documentation	\$5,002,105
Task 4	Assessment and Evaluation	\$507,287
Task 5	Final Design	\$4,223,851
Task 6	Environmental Documentation	\$270,967
Row (d)	Construction	\$42,842,141
Task 7	Construction Contracting	\$241,921
Task 8	Construction	\$42,600,220
Row (e)	Environmental Compliance/Mitigation/Enhancement	\$1,169,290
Task 9	Environmental Compliance/Mitigation/Enhancement	\$1,169,290
Row (f)	Construction Administration	\$2,074,231
Task 10	Construction Administration and Public Outreach	\$2,074,231
Row (g)	Other Costs	\$80,103
Task 11	Permitting, Legal Costs, and Licenses	\$80,103
Row (h)	Construction Contingency	\$2,703,683
Row (i)	Grand Total	\$54,992,397

Row (a) Direct Project Administration Costs

Task 1 – Project Administration:

Administration Costs of \$809,450 were determined based on current contract estimates, previous project experience with similar construction projects, and previous expenditures between October 1, 2008 and February 28, 2011. These costs account for all current project administrative activities and reporting tasks. The estimated cost breakdown is shown in **Table 4-4**. Note that these costs are accounted for in the Component 1 estimate and are not duplicated for Component 2.

Task 2 – Labor Compliance Program:

Labor Compliance Program (LCP) costs were allocated \$20,000 for each Project component as presented in **Table 4-4** and represent an annual work effort of approximately 100 hours/annually to ensure appropriate staff resources are allocated to ensure compliance with the State's program.

Task 3 – Reporting:

Reporting costs to the grantor specific for the Project are estimated at \$60,533 through 2014 or approximately 400 hours. This task assumes efficiencies gained through the implementation of **Task 1**, Project Administration over the duration of the Project.

Table 4-4. Row (a) Direct Project Administration Costs

Tasks 1-3	Component 1	Component 2	Total
Task 1. Project Administration	\$809,450	---	\$809,450
Task 2. Labor compliance program	\$20,000	\$20,000	\$40,000
Task 3. Reporting and Data Management	\$40,000	\$20,533	\$60,533
Total			\$909,983

Row (b) Land Purchase/Easement

\$210,860 is the estimated amount allocated by the District to finalize easement acquisition for Component 1 of the Project. The District anticipates competing land and easement acquisitions for the Project prior to the end of 2011.

Row (c) Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation:

Assessment and evaluation studies for Component 1 were all completed prior the end of December 2010 and, therefore, no additional work under this task is required for Component 1. The District has tracked \$25,590 in expenditures on this task for Component 1 since October 2008 and is applying this cost as part of its match. Component 2 will require additional planning and preliminary engineering studies and are estimated to cost \$481,698 based on previous investigations. See Table 4-5 for additional detail.

Task 5 – Final Design:

Final Design costs are estimated to be \$4,223,851 for both components of the Project based on current contract estimates, previous project experience with similar construction projects, and previous expenditures between October 1, 2008 and February 28, 2011. The District has tracked \$3,487,378 in expenditures on design services for Component 1 between October 2008 through February 2011 and expects to spend an additional \$390,000 on Component 1. The District estimates an additional \$346,473 in expenditures for Component 2 on this task. See Table 4-5 for additional detail.

Task 6 – Environmental Documentation:

Environmental Documentation is allocated \$270,967 to cover any potential CEQA addendums that may

be required for changes to Component 1 during construction and the scoping and preparation of an initial and study mitigated negative declaration (IS/MND) for Component 2 of the Project. See Table 4-5 for additional detail.

Table 4-5. Row (c) Planning/Design/Engineering/Environmental Documentation Costs

Discipline	Expenditures 10/08 – 2/11	Projected	Total
Task 4 - Assessment and Evaluation			
Final Design for Component 1 – Reaches 4-6	\$25,590	--	\$501,354
Final Design for Component 2 – Lake Cunningham	--	\$481,698	
Task 5 - Final Design			
Final Design for Component 1 – Reaches 4-6	\$3,487,378	\$390,000	\$4,223,851
Final Design for Component 2 – Lake Cunningham	--	\$346,473	
Task 6 - CEQA/NEPA Documentation			
CEQA/NEPA for Component 1 – Reaches 4-6	82,850	\$20,000	\$269,888
CEQA/NEPA for Component 2 – Lake Cunningham	--	\$168,117	
Total			\$5,002,105

Row (d) Construction

Task 7 – Construction Contracting:

Construction contracting costs are included under Task 8 for the Project, as presented in **Table 4-6**. These costs are based on a combination of current contract estimates, previous project experience with similar construction projects, and previous expenditures between October 1, 2008 and February 28, 2011. Task 7 assumes efficiencies in construction contracting can be realized for Component 2, based on the previous and projected level of effort for Component 1.

Task 8 – Construction:

Project construction is estimated at a total cost of \$42,600,220 based on a combination of current contract estimates, previous project experience with similar construction projects, and previous expenditures between October 1, 2008 and February 28, 2011. This cost reflects contractor bid documents for Component 1 and preliminary design planning for Component 2 completed back in 2003. The cost estimates for Component 2 were converted to 2009 dollars as presented in **Table 4-6**. For further details on construction labor, materials, and equipment see **Appendix 4-A**.

Table 4-6. Row (d) Construction Costs

Task 7. Construction Contracting	Expenditures 10/08 – 2/11	Projected Match	Grant Match	Total
Component 1- Reaches 4-6	\$141,921	\$100,000	--	\$241,921
Component 2- Lake Cunningham ¹	--	--	--	
Task 8. Construction Component 1 (Reaches 4-6)				
Task 8a. Mobilization and Site Preparation	\$1,146,940	--	--	\$1,146,940

Task 8b. Project Construction	\$3,579,466	\$14,273,719	\$20,784,208	\$41,217,980
Task 8c. Performance Testing and Demobilization	\$740	--	--	\$740
Task 8. Construction Component 2 (Lake Cunningham)				
Task 8a. Mobilization and Site Prep.	--	--	\$234,561	\$234,561
Task 8b. Project Construction	--	--	\$2,580,586	\$2,580,586
Task 8c. Performance Testing and Demobilization ²	--	--	--	--
Total				\$42,842,141
Notes:				
1. Construction contracting costs for Component 2 and included in Component 1.				
2. The cost for Task 8c is included in Task 8b.				

Row (e) Environmental Compliance/Mitigation/Enhancement

Task 9- Environmental Compliance/Mitigation/Enhancement:

Environmental Compliance/Mitigation/Enhancement activities are allocated \$1,169,290. This is an estimate based a combination of current contract estimates, previous project experience with similar construction projects, and previous expenditures between October 1, 2008 and February 28, 2011. Of this total, \$911,273 is allocated to Component 1 and \$258,017 for Component 2. Between October 2008 and February 2011, the District recorded \$61,273 in expenditures under this task. Costs included under this task include, but are not limited to, biological monitoring, compliance with noise reduction measures, the preparation of stormwater pollution prevention plans, dust control mitigation, and hazardous materials contingencies. The allocated costs are also intended to cover any other environmental compliance and mitigation activities that have yet to be identified.

Row (f) Construction Administration

Task 10- Construction Administration and Public Outreach:

Construction Administration costs is estimated to be \$2,074,231 based on the City's experience with similar projects. The costs will cover the hire of construction management services, general administration of sub-contractors, and construction management activities. This task also includes the funds necessary to perform public outreach activities consistent with the District's standard specifications.

Row (g) Other Costs

Task 11 – Permitting, Legal Costs, and Licenses:

For the Other Costs, \$80,103 were allocated for this task based on the acquisition of needed permits (e.g. Clean Water Act, Sections 404 and 401, and California Fish and Game Code). The costs will cover any required permit extensions and amendments that may be required as a result of the CEQA process for Component 2 of the Project.

Row (h) Construction Contingency

The construction/implementation contingency percentage applied for Component 2 of the Project is 30% of the total anticipated construction cost of \$2,703,683. The contingency cost is provided in **Table 4-7**. The contingency costs include funds to handle unknown and unspecified conditions encountered during construction or implementation of the project. The construction contingency for Component 1 (Reaches 4-6) is estimated at 6% due to the availability of pre-existing construction bid document(s) from a several contractors. In contract, a 30% construction contingency is applied to Component 2 due to the planning level of the construction estimate.

Table 4-7: Row (h) Construction Contingency Costs

Contingency	Percent	Cost
Component 1- Reaches 4-6	6%	\$2,000,000
Component 2- Lake Cunningham	30%	\$703,683
Total		2,703,683
<u>Note: Construction contingency is based on the total cost for each Project component.</u>		

Row (i) Grand Total

The anticipated total Project cost is estimated at \$54,992,397 as summarized by each budget category in **Table 4-8.**

Table 4-8. Row (i) Grand Total Costs

Row	Budget Category	Total Costs
(a)	Direct Project Administration Costs	\$909,983
(b)	Land Purchase/Easement	\$210,860
(c)	Planning/Design/Engineering/ Environmental Documentation	\$909,983
(d)	Construction/Implementation	\$42,842,141
(e)	Environmental Compliance/ Mitigation/Enhancement	\$1,169,290
(f)	Construction Administration	\$2,074,231
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$80,103
(h)	Construction/Implementation Contingency	\$2,703,683
(i)	Grand Total	\$54,992,397